



CITY OF DURHAM | NORTH CAROLINA

Date: May 15, 2015

To: Thomas J. Bonfield, City Manager

Through: Bo Ferguson, Deputy City Manager

From: Donald Long, Solid Waste Director

Subject: Extension of Contract for Roll-Cart Purchase

Executive Summary

The City contracted with Otto Environmental Systems (NC), LLC for the purchase of roll-carts for the collection of residential waste, recyclable materials and yard waste in August 2012. The original contract was for a three year period ending June 30, 2015. The purchase contract was a “piggyback” purchase on a City of Monroe bid award and contract for the purchase of carts from Otto Environmental Systems (NC), LLC. The City of Monroe contract on which the City of Durham piggybacked allowed for two additional one year extensions.

Approval of a one-year extension from July 1, 2015 through June 30, 2016, as is provided for in the original contract, is being requested to allow continued purchase of roll-carts that are needed due to growth in the number of households within the City, as well as to replace worn and/or damaged carts. Carts are purchased as needed, with purchases in recent years varying from approximately \$260,000 to \$290,000 per year.

The total cost of the one-year contract extension for purchase of roll carts would not exceed \$300,000. Funding for this contract extension is available from the Solid Waste Residential Collections, Recycling Collections and Yard Waste Collection Funds (5400MM10-728600, 5400MM11-728600, 5400MM31-7286000).

Recommendation

That Council approve the one-year contract extension from July 1, 2015 through June 30, 2016, for purchase of roll-carts, as provided the original contract, and that the City Manager be authorized to execute all relevant contracts; and,

That the City Manager be authorized to modify the contract before execution provided that the modifications do not increase the dollar amount of the contract and the modifications are consistent with the general intent of the existing version of the contract.

Background

The contract extension under consideration will allow the Solid Waste Management Department to continue providing roll-carts to new households and replacements for existing carts that must be replaced due to wear and/or damage. The Solid Waste Management budget for FY 15-16 included funds for required cart purchases.

The original purchase contract was a "piggyback" purchase on a City of Monroe bid award and contract for the purchase of carts from Otto Environmental Systems (NC), LLC. The City of Monroe contract on which the City of Durham piggybacked allowed for two additional one year extensions. Making purchases from your own or another governmental agency's contract is referred to as "piggybacking". North Carolina General Statute 143-129(g) allows an exception to the bidding process. The exception reads as follows:

Waiver of Bidding for Previously Bid Contracts. - When the governing board of any political subdivision of the State, or the manager or purchasing official delegated authority under subsection (a) of this section, determines that it is in the best interest of the unit, the requirements of this section may be waived for the purchase of apparatus, supplies, materials, or equipment from any person or entity that has, within the previous 12 months, after having completed a public, formal bid process substantially similar to that required by this Article, contracted to furnish the apparatus, supplies, materials, or equipment to:

- (1) The United States of America or any federal agency;*
- (2) The State of North Carolina or any agency or political subdivision of the State; or*
- (3) Any other state or any agency or political subdivision of that state, if the person or entity is willing to furnish the items at the same or more favorable prices, terms, and conditions as those provided under the contract with the other unit or agency.*

Notwithstanding any other provision of this section, any purchase made under this subsection shall be approved by the governing body of the purchasing political subdivision of the State at a regularly scheduled meeting of the governing body no fewer than 10 days after publication of notice, in a newspaper of general circulation in the area served by the governing body, that a waiver of the bid procedure will be considered in order to contract with a qualified supplier pursuant to this section. Rules issued by the Secretary of Administration pursuant to G.S. 143-49(6) shall apply with respect to participation in State term contracts.

Otto Environmental Systems (NC), LLC of Charlotte, NC has agreed to continue furnishing carts to the City of Durham under the terms of the existing contract.

Issues/Analysis

In August, 2012, the City of Durham entered into a piggyback contract with Otto Environmental Systems (NC), LLC of Charlotte, NC for the purchase of roll-carts for curbside collection of garbage, recyclables and yard waste. The Administration is recommending approval of a one-year extension of the cart purchase contract, which was included as a provision in the original contract. The original contract included provision for price increases or decreases in the cost of carts, based on the market price for plastic resin.

Alternatives

The City could choose not to use the “piggyback” provision and seek new bids. Seeking new bids would delay cart purchases and would be unlikely result in lower prices due to the pricing adjustment allowance included in the original contract.

Financial Impact

The total cost of the contract is not to exceed \$300,000. Funding for this contract is available from the Solid Waste Residential Collections, Recycling Collections and Yard Waste Collection Funds (5400MM10-728600, 5400MM11-728600, 5400MM31-7286000).

SDBE Summary

This is a contract extension and is not reviewed for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Attachments

1. City of Durham Purchase Contract #9961 for Purchase of Roll-Carts
2. City of Monroe Contract for Purchase of Solid Waste Carts